GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4304
ANSWERED ON:15.12.2000
FDI INFLOW FROM USA
JASWANT SINGH YADAV;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the actual inflow of US F.D. investment in the country was less than the approvals during each of the last three years;

(b) if so, the reasons therefor;

(c) whether the Government have set up a Strategic Management Group to deal with the problems of the Foreign Direct Investors;

(d) if so, the details thereof; and

(e) the other steps being taken by the Government to boost the US / developed countries` Investment in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) & (b): The year-wise FDI approvals and inflow for USA during the last three years is given below :-

(Amount in Rs. Crore)

YEAR	FDI Approval	FDI Inflow
1997	13569.82	2578.07
1998	3561.96	1371.09
1999	3575.17	1811.20
2000 (Jan to Oct.)	3999.59	1340.36
TOTAL	24706.54	7100.72

The actual inflow is dependent upon the commercial judgement of investors. The inflows of funds for projects, particularly in the case of large projects in sectors like Power, Telecom, Infrastructure etc., where the gestation period is long may take place in phased manner.

(c) & (d) A Strategic Management Group has been set up in Prime Minister`s Office with the following objectives :

- To undertake Inter Ministerial coordination for speedier implementation of large projects.

- To encourage and interact with State Governments for adoption of suitable steps towards realisation of the aforesaid objectives.

- To examine policy measures and undertake consultations designed to accelerate inward capital flows.

- To interact with economic Ministries for catalysing reform initiatives and policies announced by Government.

- To consider policy measures designed for an improved macro-management of the economy.

(e) The review of FDI Policy to attract more FDI (from all countries, including USA) and to make it more investor friendly is a continuous process. Earlier this year, moving towards further liberalisation and simplification, the Government has permitted FDI / NRI / OCB investment upto 100% in all items/ activities under the automatic route barring a small negative list. Subsequently other policy changes have been made for various sectors. For facilitating speedy implementation and for removal of problems faced by investors during implementation stage, a foreign Investment Implementation Authority (FIIA) comprising of representatives from various Departments and State Governments has been set up.